

Company registered number
5906258

SHANNON TRUST

(Company registered by guarantee no. 5906258;
registered charity no. 1117249 (England & Wales), SC043470 (Scotland))

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



SHANNON TRUST

(Company limited by guarantee no. 5906258, registered charity no. 1117249)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

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SHANNON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

For the year ended 31 December 2020

Company reg. no.	5906258																										
Charity reg. no. (England)	1117249																										
Charity reg. no. (Scotland)	SC043470																										
Registered office	International House Holborn Viaduct London, EC1A 2BN																										
Trustees	<p>The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table><tr><td>S M O'Hara, Chair</td><td>Resigned 31 March 2021</td></tr><tr><td>A Reid, Treasurer</td><td></td></tr><tr><td>R Newman</td><td>Resigned 31 March 2021</td></tr><tr><td>B Porter</td><td></td></tr><tr><td>J Bensted</td><td></td></tr><tr><td>W Payne</td><td></td></tr><tr><td>J Killen</td><td></td></tr><tr><td>M May</td><td></td></tr><tr><td>B Bates</td><td></td></tr><tr><td>H Bowden</td><td>Resigned 20 February 2020</td></tr><tr><td>E Milburn</td><td>Resigned 20 January 2020</td></tr><tr><td>C Argar</td><td>Resigned 01 June 2020</td></tr><tr><td>M Wemms, Chair</td><td>Appointed 01 April 2021</td></tr></table>	S M O'Hara, Chair	Resigned 31 March 2021	A Reid, Treasurer		R Newman	Resigned 31 March 2021	B Porter		J Bensted		W Payne		J Killen		M May		B Bates		H Bowden	Resigned 20 February 2020	E Milburn	Resigned 20 January 2020	C Argar	Resigned 01 June 2020	M Wemms, Chair	Appointed 01 April 2021
S M O'Hara, Chair	Resigned 31 March 2021																										
A Reid, Treasurer																											
R Newman	Resigned 31 March 2021																										
B Porter																											
J Bensted																											
W Payne																											
J Killen																											
M May																											
B Bates																											
H Bowden	Resigned 20 February 2020																										
E Milburn	Resigned 20 January 2020																										
C Argar	Resigned 01 June 2020																										
M Wemms, Chair	Appointed 01 April 2021																										
Key management personnel	Ian Merrill, CEO, Company Secretary																										
Bankers	<table><tr><td>CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ</td><td>Virgin Money plc 30-31 Haymarket London, SW1Y 4EX</td></tr><tr><td>Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2</td><td>Nationwide Building Society Kings Park Road Moulton Park Northampton, NN3 6NWY</td></tr></table>	CAF Bank Ltd 25 Kings Hill Avenue Kent, ME19 4JQ	Virgin Money plc 30-31 Haymarket London, SW1Y 4EX	Aldermore Bank PLC 1st Floor, Block B Western House Lynch Wood Peterborough, PE2 6F2	Nationwide Building Society Kings Park Road Moulton Park Northampton, NN3 6NWY																						
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Independent Auditor	Richard Billingham FCA Senior Statutory Auditor Knox Cropper LLP Chartered Accountants and Statutory Auditors 65 Leadenhall Street London, EC3A 2AD																										
Accountants	NfP Accountants Ltd No. 38, 52 Peckham Grove London, SE15 6FR																										

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

The Trustees (who are the Directors of the charitable company for the purposes of the Companies Act), present their combined Directors' report and Trustees' annual report (as required by company and charity law), together with the financial statements of Shannon Trust for year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The reference and administrative information set out on page 1 forms part of this report.

Objectives and activities

Purposes and aims

The Charity's Objects are the promotion of:

- the advancement of education;
- the rehabilitation of offenders;
- the relief of financial hardship sickness and distress of inmates or former inmates and their families in prisons, young offenders' institutions, secure units in high security psychiatric or other hospital units and offenders or former offenders subject to non-custodial community orders in the United Kingdom; and
- literacy schemes and similar educational initiatives.

Our Vision:

Every prisoner a reader.

Our Mission:

To transform lives by inspiring prisoners who can read to teach prisoners with poor reading skills, thus providing learners with opportunities to develop life skills that better equip them for the challenges of living as contributing members of society. Shannon Trust will achieve its mission through the following actions:

- Giving the opportunity for any prisoner struggling with reading to learn to read with a Shannon Trust peer mentor;
- Training peer mentors to engage, teach and encourage people in prison struggling with reading;
- Supporting continuity of provision for Mentors and Learners upon transfer between prisons;
- Providing resources that optimise delivery and raise awareness of Shannon Trust, including use of our bespoke approach to learning to read, 'Turning Pages';
- Signposting community opportunities for prisoners to continue their learning and mentoring post release.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

Shannon Trust is committed to:

- Engaging with and listening to our volunteers, prisoners, prison staff and ex-offenders to create an inclusive community that informs the work they do;
- Ensuring staff, volunteers, prison staff and Mentors are trained and equipped to support Learners;
- Creating a positive environment for staff and recognising their talents and contributions;
- Seeking evidence that validates the work we do and informs future plans to improve the experience of our Mentors and Learners; and
- Incorporating diversity and equality of opportunity in all we do.

Our strategic priorities

We set four strategic priorities for the period 2019 – 2021. These overarching themes guided our direction and informed our annual business planning. The strategic priorities identified were;

- Strive for equitable access for all so anyone struggling with reading can access Shannon Trust from any prison;
- Increase the number of people learning to read in prison;
- Further engage our Learners and Mentors past and present by building opportunities for them to be involved with the development and running of Shannon Trust; and
- Explore opportunities outside of the prison gate. Developing and piloting opportunities for adults to learn to read in partnership with organisations in a local area.

Then the COVID19 pandemic hit the UK, for large parts of 2020 completely halting all work in and around UK prisons due to widespread 'lockdowns', social restrictions and risk management measures. 2020 became a year where the organisation – faced with unprecedented challenges to how it delivered its work – was forced to re-group, re-focus and thinking clearly about the future.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The charity's main activities and who it aims to help are described below. All its charitable activities focus on making the vision of every prisoner a reader a reality and are undertaken to further Shannon Trust's charitable purposes for the public benefit.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

Shannon Trust service delivery in prisons

The delivery of the Shannon Trust programme in prisons was severely affected by COVID19. Before the pandemic hit the UK, recruitment of new learners and mentors was taking place at recognisable levels. As the pandemic took hold, prison regimes altered dramatically with prisoners often in their cells for up to 23 hours a day, high staff sickness levels, staff re-deployed, or unable to access wings routinely.

As soon as the pandemic took hold in mid-March, we asked prisons how we could be of use – the overwhelming response was a need for in-cell activity packs to keep people occupied whilst stuck in their cells for long periods of time. We responded immediately, developing five packs every month to all prisons from April onwards. Many other agencies provided similar packs, but pitched at a higher level than our beneficiaries could engage with. Acknowledging that 50% of the prison population had low reading ability, our packs were tailored to the different stages of the Turning Pages scheme, recognisable to Shannon Trust learners and accessible to those with low literacy levels. The response to this initiative was positive:

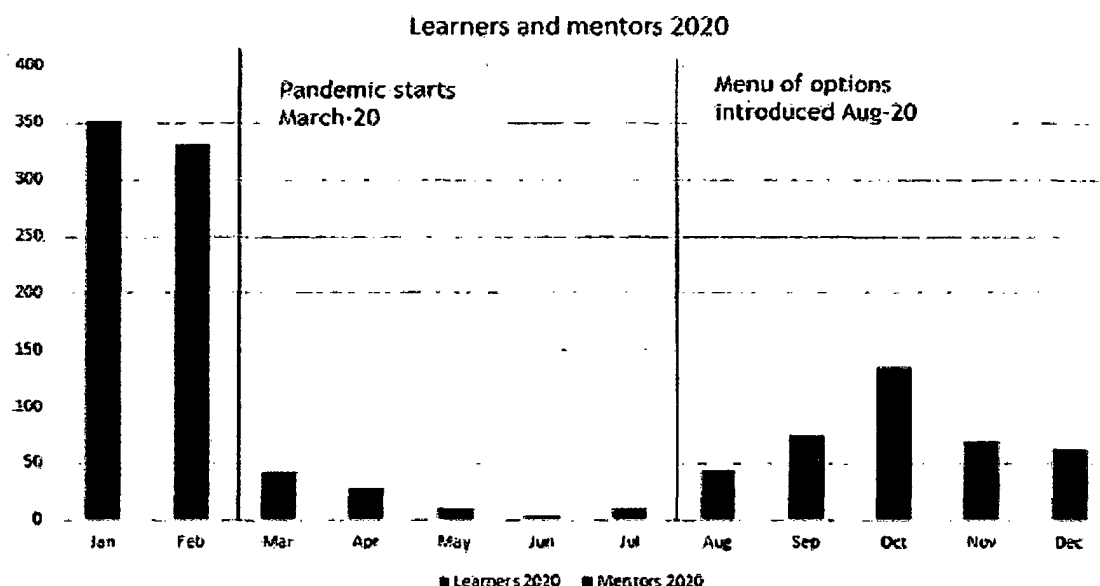
"The packs are excellent and I have shared them with my colleagues in the Safer Custody and Psychology functions. The support which you offer is incredible." – Prison Head of Learning & Skills

"Thank you so much for these packs – they are ideal and exactly what we need to ensure we are reaching the men with lower literacy levels" Prison Activities Manager.

During this time, we also worked in partnership with PACT, contributing to their 'letters home' initiative, giving advice to prisoners with low literacy on how to write letters to loved ones whilst family visits were placed on hold.

Once the longer term nature and implications of the pandemic became better understood, the organisation recognised a need to pivot to enable more structured learning activity to take place in some form. This led to the development of our Menu of Options, incorporating various adaptations to our delivery, allowing new mentors to receive training via self-study options, and enabling some learning to take place, with numbers starting to rise into the autumn. As the year ended, the number of COVID19 'outbreak sites' was rising with prison activity reduced once again.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020



The Menu of Options comprised a number of developments:

- The creation of two self-study training options for mentors, given that in-person mentor training was largely impossible. A CD (featuring the voices of real learners and mentors) and self-study booklets were distributed across the estate. With mentors no longer able to move around the prison to visit learners, we encouraged prisons to 'train a mentor on every wing' to support the peers around them;
- The development of several activity packs allowing learners to study in-cell;
- Trialling digital learning with the Turning Pages content and mentor training being added to laptops given to prisoners as part of a digital pilot led by Coracle Inside;
- Production of a new learner video allowing in-cell study as an option in a number of prisons;
- The ability for prison, education or library staff to hold one-to-one sessions with learners, face to face or over the phone;
- An emphasis on our 'by prisoners, for prisoners' approach with the encouragement for learning to happen anywhere (in cells, on the wings) and for mentors to identify potential learners, rather than relying on formal referrals or staff involvement.

As 2020 ended, pandemic conditions worsened once again with prisons returning to 'stage 4' (full lockdown); our unique arrangement with Her Majesty's Prison and Probation Service (HMPPS) had changed significantly. Whilst the shared objective of ensuring that any prisoner struggling to read can learn to do so with the Shannon Trust remained in place, it became clear that developing a more blended learning model, where the Menu of Options is extended and embedded across the prison estate, must be an organisational priority for 2021. This applies equally to prisons which are contracted out to private providers.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT For the year ended 31 December 2020

The importance of innovation in inspiring people in prison to learn to read cannot be underestimated and in that sense, the development of the Menu of Options give rise to significant optimism that Shannon Trust's work remains an important part of improving prison life and contributing to reducing re-offending. An example from HMP Bristol is illustrative; Previously, running the reading programme has been challenging at this prison, but the use of the mentor training CD and self-study guides provided purposeful activity for many, at a time of limited options, and gave real clarity for those involved. It came to light that 30 men on one wing had chosen the same meal for two weeks. The mentors then felt equipped to approach those men and ask "why do you always eat the same things?", eventually leading to many learners engaging with mentors and working through Turning Pages.

In terms of lessons learned, whilst our numbers of new learners and mentors were greatly reduced during the pandemic for reasons explained, this has underlined that our programme does not always require us to enter a prison, it doesn't always require individuals to come together, or move across the prison into classrooms, that sessions can happen anywhere (including the cell or the wing) and that Shannon Trust activity is relatively easy to set up, at little or no cost to the prison.

Learner and mentors

Listening to our beneficiaries – our learners and mentors – remained an important principle in our work. Given the nature of our work though, this was far from straightforward during a pandemic-driven nationwide prison lockdown. However, the following is of note:

- we started writing monthly newsletters to mentors during the pandemic, as we weren't able to get into prisons. In these newsletters we encouraged mentors to write back to us, which a number did, sharing their experience of helping others during this time;
- our mentor and learner focus groups in 2019 shaped the mentor audio CD training and this feedback encouraged us to focus more on how to overcome personal barriers to learning, how to build an effective learner/mentor relationship, and how to identify and approach potential learners. We used real mentor and learner voices in the audio training;
- the mentor and learner focus groups in 2019 also influenced our covid response in 2020 - they told us they wanted more self-study opportunities to supplement their learning. When the pandemic hit we used this as an opportunity to create these. These will now remain a key part of our learner resources post-pandemic; and
- we worked with National Prison Radio to broadcast the voices of learners and mentors to people in prison, sharing their experiences of Shannon Trust and encouraging other to get involved.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Volunteers

The role of volunteers in the Shannon Trust model has always been central and whilst 2020 imposed significant restrictions on how our volunteers were able to operate, we maintained high levels of engagement through monthly training sessions on topics including dyslexia and ESOL, along with quarterly volunteer team meetings and opportunities to collaborate and provide feedback on various areas of development work. Volunteers have continued to maintain contact with prison leads over email / telephone where possible. Plans to develop their input got underway following a review of volunteer roles and responsibilities. Consequently, role descriptions have been adapted, volunteer learning & development updated with a new learning management system commissioned, with guidance on 'key messages' in prison meetings being rolled out.

Workforce re-structure

Following an organisational review, a workforce re-structure took place in the last months of 2020, seeing roles and responsibilities being re-organised and investment made in communications, fundraising, business support and operations, with an expanded Regional Manager cohort leading on development across volunteers, programmes, resources, monitoring & evaluation and digital. The re-structure also saw the creation of a new role to drive the community pilot forward, with actual delivery scheduled to commence as pandemic conditions allow in 2021.

Shift to remote working

All Shannon Trust employees made the shift during 2020 to working primarily from home. Consequently, the charity no longer has a need for an office in London and will cease to maintain by early 2021. The organisation provided suitable equipment to enable remote working and virtual meetings, and ensured that all staff paid attention to their wellbeing during this transition, through appropriate support and a flexible working policy.

Communications & marketing review

Recognising the vital importance of effective audience engagement for a relatively lean organisation, Shannon Trust commissioned a review of its marketing, communications and related fundraising activity in order to identify opportunities for improvement, forward planning and prioritisation for 2021. The review included an audit across communications activity, along with interviews with key stakeholders. The review resulted in a roadmap for change which has been embedded in the annual business plan.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

Development of a community pilot

Progress was made in 2020 on the strategic intent of the organisation to develop its offer in community settings. The rationale for this is that whilst a significant cohort of potential learners reside in custody, there are opportunities to engage with them before they enter prison, as well as on release. We know that our learners do not stay indefinitely in prison; the average sentence length is around 18 months, with half of people re-offending within a year of release. This 'revolving door' suggests that offering services in the community that complement those found within the prison setting will enable Shannon Trust to better reach its learners 'where they are', taking the organisation's expertise around mentoring and literacy and applying it in a broader setting. The lockdowns instigated to provide protection from COVID19 demonstrated the impact on our programme when challenges beyond our control hit the prison environment, affecting our ability to deliver the programme, narrowing our reach and creating barriers to learning. Broadening our delivery to other environments in addition to the prison estate gives us increased opportunities to work with people at different life stages, and fulfil our vision of 'every prisoner a reader'.

Approach to income generation

Like many charities dependent on charitable donations and awards, Shannon Trust was concerned about the impact of the COVID19 pandemic upon its ability to raise funds and continue its operations. However, the organisation was successful in securing a number of grants during the year and it finished 2020 in a relatively sound position financially – at least in the short term with an in-year surplus being generated, enabling reserves to be built to acceptable levels. The longer term impact of the pandemic upon the strategy of trusts and foundations who fund our work is yet to become clear and this increases the risk to Shannon Trust income beyond 2021. As such, income diversification remains a priority in the current context, as of course, does the keen control of all costs.

Supporters and partners

Shannon Trust is extremely grateful for the continued support of a range of grant giving trusts and foundations, generous individuals and pro-bono assistance from companies, including: 1772 Charity, AB Charitable Trust, Adrian Swire Charitable Trust, Beatrice Laing Trust, Bell Foundation, Charles Hayward Foundation, City & Metropolitan Charitable Trust, Drapers Charity, Garfield Weston Foundation, Gisela Graham Foundation, Oakdale Trust, Peter Stebbings Memorial Charity, Porticus UK, Society of Sacred Hearts Charity, St James Place Charitable Foundation, Susanna Peake Charitable Trust, The Baronets' Trust, The Bromley Trust, The Findlay Trust, The Henry Smith Charity, The Julia & Hans Rausing Trust, The National Lottery Community Fund, The Tuixen Foundation, The Unwin Charitable Trust and the Worshipful company of Art Scholars Charitable Fund.

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

Looking forward into 2021

The pandemic-driven need to pivot and offer a more flexible menu of options for learners and mentors offered a heavy hint as to the future direction and strategic options open to the Shannon Trust. Consequently, a major feature of our work during 2021 will be a 'discover and design' process with the aim of launching a new organisational strategy by January 2022. With the emphasis upon finding more effective ways to reach significantly increased numbers of people in and outside of prison with literacy needs, it is likely that the organisation will seek to prioritise investment in the following key areas:

- Development of significant e-learning capabilities;
- Adaptation of Turning Pages to encompass digital delivery channels;
- Automation of operational processes where possible;
- Development of monitoring and evaluation with an increasing focus on broader outcomes;
- Taking learning from the community pilot and subsequent roll-out opportunities;
- Workforce (staff and volunteer) learning and development; and
- Board effectiveness and leadership of diversity across Shannon Trust activity.

Financial review

Financial Position

The Charity achieved net income for the year of £155,843 (2019 - net expenditure of £117,222), details of which are shown in the Statement of Financial Activities on page 18. Total income for the year amounted to £813,452, an increase of £200,334 on the previous year, and total expenditure amounted to £657,609, a reduction of £72,731 on the previous year.

Income sources

Donations from individuals reached 24%; income from Trusts and Foundations was 70.4%; and earned income and interest, including sales of Turning Pages amounted to 3.4% of all income. In 2020, a sizeable legacy accounted for 12.1% of all income; and other income, which also includes Government Coronavirus Job Retention Scheme grant funding of £17,106, accounted for 2.1%).

SHANNON TRUST

BOARD OF TRUSTEES' REPORT **For the year ended 31 December 2020**

Reserves Policy

The reserves policy requires Shannon Trust to maintain funds (sometimes referred to as 'free reserves') sufficient to cover both the costs of the continued operation of the charity for at least three months; and the costs of an orderly curtailment of the charity's activities in the following three months, if that proves necessary.

The policy also enables the Board to designate other sums as a contingency for two purposes: to help meet the costs arising from unforeseen risks; and, to enable the charity to meet the expense of taking opportunities which have yet to arise.

The charity's reserves do not include any monies which properly form part of its 'restricted funds', which may only be spent on purposes specified in the terms on which they were received.

The level of existing reserves is reviewed every six months; and the policy is reviewed annually.

At 31 December 2020, Shannon Trust had total funds of £562,461. General (unrestricted) reserves amounted to £518,730, which is approximately 6 months' expenditure at 2021 levels. The Trustees have also set aside a designated fund of £125,000, which includes a £50,000 contingency fund that is designated to help meet the costs of unforeseen risks; and a £75,000 development fund that is to enable the charity to respond to new opportunities.

Risk Management

A detailed risk assessment is made of factors that might impact on the assumptions made. As of the end of 2020, the financial forecasts for 2021 as to the financial year ahead was compliant with these policies.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 16th August 2006 and registered as a charity on 14th December 2006.

The company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. Its Directors are also its Trustees and members of the association. In the event of the company being wound-up, its members are required to contribute an amount not exceeding £1.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT

For the year ended 31 December 2020

Recruitment and appointment of new Trustees

The Directors of the company (the charity) are also charity Trustees for the purpose of charity law and under the company's Memorandum and Articles are known as Trustees. Under provision of the Articles: 1. the number of Trustees shall not be less than four but (unless determined by ordinary resolution) is not subject to any maximum. 2. at every annual general meeting one-third of the Trustees who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but, if there is only one trustee who is subject to retirement by rotation, they shall retire. Admission of Members Under the articles the members of the company comprise the subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with the rules made by the Trustees. Rules were made by the Trustees on the 12th March 2013 and provide that the Trustees may admit to membership any person over the age of eighteen who is not a paid worker of the charity or any of its subsidiary companies. Currently the charity has 9 members. Trustees are recruited through the charity's website, social media and other online platforms including Charity Job, Reach, Do it.org and sector networks such as Clinks.

Induction and training of new Trustees

New trustees receive an induction briefing, given by the Chair and supported by the Chief Executive. New trustees are given an induction pack about the work of the charity. Arrangements are also made to visit a prison to see the Reading Plan in operation.

Governance & management

The Trustees meet eight times a year and are responsible for the strategic direction and policy making of the charity. In 2020 the Board of Trustees met on eight occasions. In 2020, the Finance & Risk Committee met quarterly between board meetings and additional meetings were held as part of an organisational review and planning process. Day to day responsibility for the provision of services to the charity is the responsibility of the Chief Executive Officer Ian Merrill, assisted by paid staff and volunteers. The charity was successful in raising funds; we are indebted to our many benefactors.

Risk management

The Trustees review risk on a quarterly basis. Prior to each Board Meeting, the Finance & Risk Committee scrutinises the Risk Register and make recommendations to the Board for actions to be taken and the status given to each risk. The annual budget and business planning processes are reviewed regularly by the Board.

Related parties and relationships with other organisations

Shannon Trust has a Memorandum of Understanding with Her Majesty's Prisons and Probation Service enshrining the commitment to support the Shannon Trust Reading Plan in all public prisons through access, dedicated Prison Officer time and Senior Management Team support in each establishment, printing of materials to an agreed amount through the National Reading Network. This arrangement is also in place across private prisons. Shannon Trust is not in receipt of any statutory funding to deliver the National Reading Network.

SHANNON TRUST

BOARD OF TRUSTEES' REPORT **For the year ended 31 December 2020**

Statement of responsibilities of the trustees

The trustees (who are also the directors of Shannon Trust for the purposes of company law) are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 8 (2019 - 11). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

BOARD OF TRUSTEES' REPORT
For the year ended 31 December 2020

Independent Auditor

Richard Billinghurst of Knox Cropper LLP was appointed as the charity's Senior Statutory Auditor during the year.

Approval of the report

This report was approved by the Board of Trustees on 21 June 2021 and signed on their behalf by:

M. Womm

Michael Womm
Chair

SHANNON TRUST

OUTGOING CHAIR'S REPORT

For the year ended 31 December 2020

I have had the privilege of serving as the Chair of the Shannon Trust in an extraordinary year. The pandemic has affected every aspect of the Trust's work, and the response of the staff and volunteer team to the challenges presented has been outstanding. Their ability to adapt swiftly has enabled us to continue to engage learners and mentors safely and is a testament to their commitment in very challenging times.

They have worked hard to develop new, innovative delivery methodologies to enable some of our work to continue and those developments will be equally useful post pandemic in helping people to learn to read. The ability to read opens up opportunities for people to engage positively with family, employers and in society as a whole.

We will continue to seek additional sources of funding to enable our work to continue and in support of our strategic and operational plans going forward.

We appointed a new CEO Ian Merrill in October 2020 and his leadership will help us take the work of the Trust forward. With a strong team we plan to combine our core activity in prisons with ambitious plans for future development of the model to enable more people to make positive changes in their lives to the benefit of all.

The fantastic support of our funders both individuals and organisations has enabled us to continue our work and on behalf of the Shannon Trust I would like to thank you all most sincerely on behalf of the Trustees for your support.

Sue O'Hara

Outgoing Chair of Trustees

SHANNON TRUST

INDEPENDENT AUDITOR'S REPORT For the year ended 31 December 2020

Opinion

We have audited the financial statements of Shannon Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

SHANNON TRUST

INDEPENDENT AUDITOR'S REPORT For the year ended 31 December 2020

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

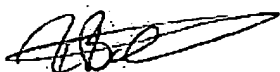
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charitable Company is required to comply with both company law and charity law as applicable in England, Wales and Scotland and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charitable company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report or for the opinions we have formed.



Richard Billinghamurst FCA (Senior Statutory Auditor)
for and on behalf of Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London, EC3A 2AD

Date: 21 June 2021

SHANNON TRUST

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)

For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
INCOME FROM							
Donations and legacies	2	467,098	300,780	767,878	342,535	245,000	587,535
Charitable activities							
Reading programme	4	26,693	-	26,693	24,457	-	24,457
Investment income: bank interest	3	1,696	-	1,696	1,126	-	1,126
Other income		17,185	-	17,185	-	-	-
TOTAL INCOME		512,672	300,780	813,452	368,118	245,000	613,118
EXPENDITURE ON:							
Raising funds	6	49,741	831	50,572	48,991	-	48,991
Charitable activities							
Reading programme	6	296,951	291,665	588,616	452,995	209,553	662,548
Turning pages sustainability income project (TPSI)		18,421	-	18,421	18,801	-	18,801
		315,372	291,665	607,037	471,796	209,553	681,349
TOTAL EXPENDITURE		365,113	292,496	657,609	520,787	209,553	730,340
NET INCOME/(EXPENDITURE) FOR THE YEAR		147,559	8,284	155,843	(152,669)	35,447	(117,222)
RECONCILIATION OF FUNDS							
TOTAL FUNDS AT 1 JANUARY 2020		371,171	35,447	406,618	523,840	-	523,840
TOTAL FUNDS AT 31 DECEMBER 2020		£ 518,730	£ 43,731	£ 562,461	£ 371,171	£ 35,447	£ 406,618

All income and expenditure has arisen from continuing activities

The annexed notes form part of these financial statements

SHANNON TRUST
(company limited by guarantee number 5906258)

BALANCE SHEET
As at 31 December 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	20		1		1
CURRENT ASSETS					
Debtors	21	30,034		29,456	
Cash at bank and in hand		721,296		437,334	
		<u>751,330</u>		<u>466,790</u>	
CREDITORS: amounts falling due within one year	22	(188,870)		(60,173)	
NET CURRENT ASSETS			562,460		406,617
NET ASSETS			<u>£ 562,461</u>		<u>£ 406,618</u>
FUNDS					
Restricted funds:	23		43,731		35,447
Unrestricted funds:					
Designated funds	23	125,000			
General fund	23	393,730		371,171	
		<u>518,730</u>		<u>371,171</u>	
			<u>£ 562,461</u>		<u>£ 406,618</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

They were approved, and authorised for issue, by the Board of Trustees on 21 June 2021 and signed on their behalf by:-

M. Wemms

MICHAEL WEMMS, Chair

The annexed notes form part of these financial statements

SHANNON TRUST

STATEMENT OF CASHFLOWS
For the year ended 31 December 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities		155,843		(117,222)
Net cash provided by / (used in) operating activities				
(Increase)/decrease in stocks		-		-
(Increase)/decrease in debtors		(1,629)		(25,937)
Increase/(decrease) in creditors		129,748		32,053
		128,119		6,116
Change in cash and cash equivalents in the year		283,962		(111,106)
Cash and cash equivalents at the beginning of the year		437,334		548,440
Cash and cash equivalents at the year end		721,296		437,334

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The accounts have been prepared under the historical cost accounting rules, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Judgements and key sources of estimation uncertainty are detailed in the accounting policies where applicable.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts include estimating income and expenditure for the next 12 months, in particular the economic impact of the Covid 19 pandemic.

Income

Income is recognised when the charity has entitlement to the funds: this is when any performance conditions attached to the income have been met, it is probable that the income will be received, and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or for performance related grants, where these are received in advance of the performances or specific event to which they relate.

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Company status

Shannon Trust is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Fundraising costs

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Charitable activities

Expenditure on charitable activities includes the costs of delivering services and reading activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure

Other expenditure represents those items not falling into any other heading.

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Staff costs are stated on the basis of staff time. Support costs which cannot be directly attributed to charitable activities are allocated in proportion to staff costs.

Where information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the area of literature occupied by each activity.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £1000 are not capitalised. Other fixed assets with an expected life of more than one year are included at cost and depreciated over three years.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme. During the year, the charity contributed up to 3% of gross pay for all staff after they have completed their probationary period. From January 2017, the charity auto-enrolled its staff into a qualifying scheme, contributing up to 3% of gross pay for all staff. The contributions made during the year are treated as an expense and were £10,727 (2019 - £12,047).

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
AB Charitable Trust	20,000	-	20,000	20,000
Adrian Swire Charitable Trust	30,000	-	30,000	20,000
AoK Trust	-	-	-	10,000
Baronets Trust	-	20,000	20,000	-
Beatrice Lang Foundation	20,000	-	20,000	20,000
Bell Foundation	-	20,000	20,000	60,000
Bernard Sunley Charitable Foundation	-	-	-	20,000
Big Lottery				
- Reaching Communities	-	125,000	125,000	125,000
- Covid-19 emergency response	-	95,780	95,780	-
Brian Woolf Charitable Trust	-	-	-	15,000
Bromley Trust	10,000	-	10,000	15,000
Charles Hayward Foundation	25,000	-	25,000	-
City & Metropolitan Welfare Charity	-	2,000	2,000	-
Drapers' Charitable Fund	20,000	-	20,000	40,000
Garfield Weston Foundation	25,000	-	25,000	25,000
Goldsmith Company	-	-	-	20,000
Haberdashers' Company	-	-	-	15,000
Henry Smith Charity	-	15,000	15,000	30,000
J & C Findlay Charitable Foundation	5,000	-	5,000	5,000
Julia & Hans Rausing Trust	62,500	-	62,500	-
Peter Stebbings Memorial Trust	-	3,000	3,000	-
Philip & Marjorie Robinson Trust	-	-	-	5,000
Porticus Foundation	-	20,000	20,000	-
Susanna Peake Charitable Trust	4,000	-	4,000	-
St James' Place Charitable Foundation	500	-	500	-
The Baronets Trust	-	-	-	10,000
The Dulverton Trust	-	-	-	30,000
The Joseph Ettedgu Charitable Trust	-	-	-	5,000
Unwin Charitable Trust	10,000	-	10,000	-
Tuixen Trust	30,000	-	30,000	30,000
Unwin Charitable Trust	10,000	-	10,000	-
William Cadbury Charitable Trust	-	-	-	20,000
Legacies	98,184	-	98,184	3,143
Other donors, including major donors	96,914	-	96,914	44,392
	£ 467,098	£ 300,780	£ 767,878	£ 587,535

3. INCOME FROM INVESTMENTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Interest receivable from:				
Bank interest: CAF	87	-	87	278
Bank interest: Aldermore	640	-	640	848
Bank interest: Nationwide	969	-	969	-
	£ 1,696	£ Nil	£ 1,696	£ 1,126

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Sale of reading manuals	26,693	-	26,693	24,457
	<u>£ 26,693</u>	<u>£ Nil</u>	<u>£ 26,693</u>	<u>£ 24,457</u>

5. OTHER INCOME

Other income of £17,185 includes government grant funding £17,106 from the Coronavirus Job Retention Scheme.

6. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Governance costs £	Support costs £	Total 2020 £	Total 2019 £
Reading programme	303,002	69,787	15,314	200,513	588,616	662,548
Turning pages special income project (TPSI)	6,541	7,220	331	4,329	18,421	18,801
	<u>309,543</u>	<u>77,007</u>	<u>15,645</u>	<u>204,842</u>	<u>607,037</u>	<u>681,349</u>
Fundraising costs	28,937	1,023	1,463	19,149	50,572	48,991
Governance costs	7,067	10,041	(17,108)	-	-	-
Support costs	179,148	44,843	-	(223,991)	-	-
	<u>£ 524,695</u>	<u>£ 132,914</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 657,609</u>	<u>£ 730,340</u>

2019

Reading programme	303,285	168,450	16,135	174,678	662,548
Turning pages special income project (TPSI)	6,541	8,145	348	3,767	18,801
	<u>309,826</u>	<u>176,595</u>	<u>16,483</u>	<u>178,445</u>	<u>681,349</u>
Fundraising costs	28,937	1,849	1,539	16,666	48,991
Governance costs	7,067	10,955	(18,022)	-	-
Support costs	142,569	52,542	-	(195,111)	-
	<u>£ 488,399</u>	<u>£ 241,941</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 730,340</u>

Of the total expenditure, £365,113 was unrestricted (2019 - £520,787) and £292,496 was restricted (2019 - £209,553).

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

7. NET INCOME / EXPENDITURE FOR THE YEAR

This is stated after charging / crediting:

	2020 £	2019 £
Independent auditor's / examiner's remuneration:		
Independent examiner's fees	3,720	3,660

8. STAFF COSTS AND NUMBERS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Salary costs						
Wages and salaries	253,590	103,975	357,565	255,897	145,680	401,577
Social security costs	21,932	11,414	33,346	24,656	14,673	39,329
Pension costs	7,606	3,121	10,727	7,677	4,370	12,047
Redundancy costs	20,000	-	20,000	-	-	-
	303,128	118,510	421,638	288,230	164,723	452,953
Other staffing costs						
Recruitment	19,370	12,950	32,320	1,288	-	1,288
Staff training and development	821	719	1,540	16,988	1,063	18,051
Temporary staff	-	20,237	20,237	85	-	85
Consultancy	500	48,460	48,960	13,176	2,846	16,022
	£ 323,819	£ 200,876	£ 524,695	£ 319,767	£ 168,632	£ 488,399

The average number of employees (head count based on number of staff employed) during the year was 10 (2019 - 10).

The total employee benefits, including pension contributions, of the key management personnel were £78,509 (2019 - £70,670). In 2020, this includes £31,380 for an Interim Chief Operating Officer consultant.

During the year, one employee earned between £60,000 - £70,000 (2019 - the same). No other employee earned more than £60,000, including benefits (2019 - the same).

As discussed more fully in the Trustees' Annual Report, the Trustees initiated the process of reviewing and revamping the charity's operations during 2020. As part of this review, a new organisation structure has been agreed, which has resulted in 2 positions becoming redundant. The resulting redundancy cost has been accrued in these accounts at £20,000, which was paid post yearend.

9. TRUSTEES' REMUNERATION AND EXPENSES

The charity trustees were not paid and did not receive any other benefits from association with the charity in the year (2019 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2019 - £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, totalled £1,016 (2019 - £3,130), incurred by 4 (2019 - 8) trustees relating to attendance at meetings of the trustees.

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

10. RELATED PARTY TRANSACTIONS

Other than trustees' expenses above, there are no reportable related party transactions to disclose for 2020 (2019 - none).

11. TAXATION

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. PENSION SCHEME

The charity operates a defined contributions pension scheme, which is a Group Stakeholder Pension Scheme, registered with HM Revenue & Customs in accordance with the Finance Act 2004. The fund manager invests in unitised funds, accumulating until the members chosen retirement age. The fund manager's charges are factored into the unit value at 1% per annum.

13. OPERATIONAL COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Operations team travel and subsistence	1,188	5,356	6,544	30,131	4,310	34,441
Volunteer recruitment and support	978	2,340	3,318	9,574	2,946	12,520
Volunteer expenses and establishment costs	625	3,977	4,602	18,796	4,322	23,118
Conference attendance	50	-	50	666	659	1,325
Volunteer conference	224	361	585	16,684	4,957	21,641
Other operational costs	6	-	6	-	-	-
	<u>£ 3,071</u>	<u>£ 12,034</u>	<u>£ 15,105</u>	<u>£ 75,851</u>	<u>£ 17,194</u>	<u>£ 93,045</u>

14. DEVELOPMENT AND TRAINING COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Training	-	1,074	1,074	4,692	1,668	6,360
Resources for training and support	360	65	425	536	106	642
Resources for readers and manuals	4,490	19,760	24,250	16,718	942	17,660
Promotional materials and resources	-	6,765	6,765	6,950	5,253	12,203
Distribution and postage	1,194	4,187	5,381	10,177	1,701	11,878
	<u>£ 6,044</u>	<u>£ 31,851</u>	<u>£ 37,895</u>	<u>£ 39,073</u>	<u>£ 9,670</u>	<u>£ 48,743</u>

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

15. COMMUNICATIONS AND ENGAGEMENT

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Website and online costs	-	596	596	284	-	284
PRA and other adverts	-	15,634	15,634	14,876	-	14,876
Monitoring and evaluation	312	-	312	7,103	3,170	10,273
Other marketing costs	210	35	245	1,229	-	1,229
	<u>£ 522</u>	<u>£ 16,265</u>	<u>£ 16,787</u>	<u>£ 23,492</u>	<u>£ 3,170</u>	<u>£ 26,662</u>

16. NEW INITIATIVES AND OTHER TRADING ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
<i>Turning pages sustainable income project</i>						
	45	-	45	105	-	105
Readers and Manual Print	-	-	-	59	-	59
Product marking and comms	-	-	-	-	-	-
Shopify monthly charge	271	-	271	274	-	274
Order fulfilment	6,904	-	6,904	7,695	-	7,695
Travel costs	-	-	-	12	-	12
	<u>£ 7,220</u>	<u>£ Nil</u>	<u>£ 7,220</u>	<u>£ 8,145</u>	<u>£ Nil</u>	<u>£ 8,145</u>

17. PREMISES COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Insurance	-	1,610	1,610	1,559	-	1,559
Legal and professional Services	13	144	157	360	1,000	1,360
Rates	1,459	-	1,459	280	789	1,069
Rent	7,561	7,560	15,121	18,067	2,219	20,286
Removal costs	1,198	190	1,388	383	216	599
Other premises costs	88	-	88	327	-	327
	<u>£ 10,319</u>	<u>£ 9,504</u>	<u>£ 19,823</u>	<u>£ 20,976</u>	<u>£ 4,224</u>	<u>£ 25,200</u>

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

18. OTHER ADMINISTRATIVE COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Repairs and Maintenance	98	361	459	10	-	10
Subscriptions	568	195	763	785	254	1,039
Computer / Stationery	536	555	1,091	1,873	301	2,174
General office costs	399	884	1,283	1,144	238	1,382
Office Equipment	-	13,247	13,247	11,213	3,175	14,388
Telephone	4,586	2,905	7,491	5,396	82	5,478
Sundry expenses	208	478	686	1,836	1,035	2,871
	<u>£ 6,395</u>	<u>£ 18,625</u>	<u>£ 25,020</u>	<u>£ 22,257</u>	<u>£ 5,085</u>	<u>£ 27,342</u>

19. GOVERNANCE COSTS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Independent examiner's fee	3,197	523	3,720	3,660	-	3,660
Audit preparation	1,200	-	1,200	1,200	-	1,200
Bank charges	130	-	130	112	-	112
Board meetings	-	474	474	2,049	804	2,853
Trustees' expenses	251	766	1,017	2,356	774	3,130
Strategic review	500	-	500	-	-	-
Other governance costs	2,000	1,000	3,000	-	-	-
	<u>£ 7,278</u>	<u>£ 2,763</u>	<u>£ 10,041</u>	<u>£ 9,377</u>	<u>£ 1,578</u>	<u>£ 10,955</u>

20. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2020 and 31 December 2020	<u>4,533</u>
Depreciation	
At 1 January 2020 and 31 December 2020	<u>4,532</u>
Net book value	
At 31 December 2019	<u>£ 1</u>
At 31 December 2020	<u>£ 1</u>

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

21. DEBTORS

	2020 £	2019 £
Due within one year		
Trade debtors	1,403	915
Accrued income	23,480	20,000
VAT repayment due	388	229
Prepayments	4,763	4,763
Other debtors	-	3,549
	£ 30,034	£ 29,456

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Deferred grant income	142,500	50,000
Social security and other taxes	10,793	-
Accruals	35,577	10,173
	£ 188,870	£ 60,173
<u>Deferred income</u>		
Balance at 1 January 2020	50,000	-
Amount released to incoming resources	(50,000)	-
Amount deferred in the year	142,500	50,000
	£ 142,500	£ 50,000

23. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers and investment gains/(losses) £	Carried Forward £
DESIGNATED FUNDS					
Contingency Fund	-	-	-	50,000	50,000
Development Fund	-	-	-	75,000	75,000
	£ Nil	£ Nil	£ Nil	£ 125,000	£ 125,000
RESTRICTED FUNDS					
National reading network	35,447	300,780	(292,496)	-	43,731
	£ 35,447	£ 300,780	£ (292,496)	£ Nil	£ 43,731
SUMMARY OF FUNDS					
Designated Funds	-	-	-	125,000	125,000
General Funds	371,171	512,672	(365,113)	(125,000)	393,730
	371,171	512,672	(365,113)	-	518,730
Restricted Funds	35,447	300,780	(292,496)	-	43,731
	£ 406,618	£ 813,452	£ (657,609)	£ Nil	£ 562,461

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

Restricted funds

National Reading Network – income restricted for elements of the delivery of the Shannon Trust Reading Plan via the National Reading Network (all prisons in England, Wales and Northern Ireland). Restrictions relate to public/private prisons, specified delivery locations, and types of prisons such as work within the Young Persons Estate and Young Offender Institutes.

STATEMENT OF FUNDS - 2019

	<i>Brought Forward</i> £	<i>Incoming Resources</i> £	<i>Resources Expended</i> £	<i>Transfers and investment gains/(losses)</i> £	<i>Carried Forward</i> £
RESTRICTED FUNDS					
National reading network	-	245,000	(209,553)	-	35,447
	<u>£ Nil</u>	<u>£ 245,000</u>	<u>£ (209,553)</u>	<u>£ Nil</u>	<u>£ 35,447</u>
SUMMARY OF FUNDS					
General Funds	523,840	368,118	(520,787)	-	371,171
Restricted Funds	-	245,000	(209,553)	-	35,447
	<u>£ 523,840</u>	<u>£ 613,118</u>	<u>£ (730,340)</u>	<u>£ Nil</u>	<u>£ 406,618</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds Designated Funds £	General Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	1	-	1
Net current assets	125,000	393,729	43,731	562,460
	<u>£ 125,000</u>	<u>£ 393,730</u>	<u>£ 43,731</u>	<u>£ 562,461</u>

25. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Net movement in funds	147,559	8,284	155,843	(117,222)
	<u>£ 147,559</u>	<u>£ 8,284</u>	<u>£ 155,843</u>	<u>£ (117,222)</u>

SHANNON TRUST

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2020**

26. OPERATING LEASE COMMITMENTS

In previous years, the charity had a non-cancellable operating lease for its office premises, at a committed cost £9,072 which was 6 months' rent. The lease has now been ended and will cease in April 2021. The committed cost for the 4 months left at the yearend was £6,048.

27. OTHER COMPANY INFORMATION

Shannon Trust is a charitable company limited by guarantee, registered in England with registration number 5906258. Its registered office address is International House, Holborn Viaduct, London, England, EC1A 2BN. The accounts are presented in GBP rounded to £1.